SPECIFICATION AMENDMENTS

On page 17, please replace the paragraph starting at line 15 with the following:

In general, Fig. 2 shows a watermark encoding system 100 (or simply "watermark encoder") that may be implemented at a content provider/producer to encode the audio signal with a watermark. The watermark encoding system 100 has a converter 110 to convert an audio signal into frequency and phase components and a mask frequency-processor domain magnitude and phase components. It may also include an energy-level trigger (not shown) 112 to determine a hearing threshold for corresponding frequency components. The trigger 112 determines whether the energy level across a portion of the signal warrants encoding of the watermark in that portion.

On page 18, please replace the paragraph starting at line 12 with the following:

In general, Fig. 3 shows a watermark detecting system 130 that may be implemented at a client that plays the audio clip (containing the audio signal). Like the encoding system 100, the watermark detecting system 130 has a converter 140 14012, a mask processor 142, and a watermark pattern generator 144. It is also equipped with a watermark detector 146 that locates a watermark in

the audio clip. The watermark detector 146 determines which block interval of the watermarked audio signal contains the watermark pattern and if the watermark generated by a particular key is present in that block interval of the signal.

On page 20, please replace the paragraph starting at line 19 with the following:

Each block is transformed by a MCLT (modulated complex lapped transform) to the frequency domain. This produces a vector ~~have~~ having a defined number of magnitude components. The magnitude is measured in a logarithmic scale, in decibels (dB).

On page 21, please replace the paragraph starting at line 4 with the following:

In general, a frame may include any given number of blocks. However, if it is too long, the watermark is more likely to be noticed by a digital pirate. If it is too short, the bits of the watermark may be had to find for the watermark detector. In addition, the optimum number of blocks in a frame depends upon the block size. The proper number of block per frames for a given implementation can be determined with a minimum of empirical measurements. Three to seven blocks per frame may be appropriate for one implementation, but nine to eleven blocks per frame may be better for another.

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